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PUBLIC MEETING
FOR
DEPARTMENT OF ENERGY'S
STRATEGIC PETROLEUM RESERVE

JUNE 27, 2006

PRESENTED BY MR. DAVID JOHNSON

LAKE JACKSON CIVIC CENTER
333 HIGHWAY 332 EAST
LAKE JACKSON, TEXAS

6:54P 1 (Presentation by Mr. David Johnson is
2 presented and completed.)

3 MR. DAVID JOHNSON: Karen will introduce the
4 speakers; and if you would, go ahead.

5 MS. KAREN FADELY: Okay. So, at this point
6 we're going to have our court reporter ready to record
7 your comments on the draft EIS. I want to remind you that
8 all of the different methodologies of how you can submit
9 comments before that July 10th deadline is on the green
10 sheet of paper. You can mail it in. You can E-mail us.
11 You can fax us, or you can come up tonight.

12 I do have a number of speakers that have
13 already registered. So, I'm just going to go through the
14 list. Everybody has about five minutes, more or less. I
15 have these little cards. So, if you get a little
16 long-winded, I might wave you down. That's just so that
17 everybody has an equal opportunity to get up and speak.

18 So, first -- also, when you get up here,
19 please state your name clearly and spell your last name
20 for the record.

21 And I'd like to start off with Bob Walker.

7:22P 22 **MR. BOB WALKER:** Good evening. My name is
23 Bob Walker. I am vice president and site director of The
24 Dow Chemical Company based here in Freeport, Texas. I'd
25 like to share with you a number of concerns that our

1 company has with the consideration of Stratton Ridge as a
2 potential location for the SPR expansion site. These are
3 primarily concerns of economic impact to Dow and to the
4 region that flow from this environmental impact study.

5 Let me start by stating that we are
6 certainly not opposed to expanding the Strategic Petroleum
7 Reserves, but Dow does not support the use of Stratton
8 Ridge for this expansion. The reasons for this are fairly
9 straightforward.

10 Over 50 percent of the more than 6,000 Dow
11 employees and contractor jobs in our Freeport facilities
12 exist because of the salt that we mine at Stratton Ridge.
13 This salt is a critical raw material for our chlor-alkali
14 production, which is, in turn, critical for our downstream
15 user plants that are dependent upon chlorine and caustic,
16 as well as several fence line customer plants.

17 From this Stratton Ridge salt, we make
18 thousands of different products worth over \$5 billion
19 annually. We also use the Stratton Ridge area to store
20 raw materials and products. Approximately half of the
21 \$125 million a year that we pay in taxes for state and
22 local purposes for Dow's Texas Operations are dependent
23 upon these assets.

24 On the other hand, the SPR uses underground
25 salt formations -- as was just covered -- as the basis for

1 their oil storage operations. For their purposes, they
2 remove the salt and discharge it into the ocean. Placing
3 the SPR at Stratton Ridge would waste salt that Dow could
4 otherwise mine and convert into useful, value added
5 products that support the economy of this area.

6 The use of seawater for mining, the speed of
7 mining the caverns in the salt dome, and the lack of a
8 fully saturated brine solution as a discharge precludes
9 this salt from being consumed by Dow to make useful
10 products. This salt would simply be wasted into the
11 ocean.

12 Now, we understand that other sites are also
13 in consideration to locate the SPR facility but they do
14 not have any co-located and salt-base production
15 facilities. So that that salt wasted into the ocean is
16 not salt that could be used otherwise as a feedstock for
17 manufacturing purposes.

18 In addition, we have concerns about our
19 current Stratton Ridge operations, as these assets are
20 critical to the economic operation of our Freeport site,
21 which happens to be Dow's largest manufacturing facility
22 globally. We experienced the concept of eminent domain
23 firsthand when the U.S. Government first used its power to
24 take Bryan Mound -- now the local SPR site -- from us when
25 we were an unwilling seller.

1 Allow me to demonstrate this impact with
2 some numbers. At the moment -- without the SPR at
3 Stratton Ridge -- we estimate that Dow has access to salt
4 reserves that should last us for more than 30 years. But
5 the 16 proposed SPR caverns would waste about 130 billion
6 pounds of salt, or the equivalent of seven years of Dow
7 salt consumption. But it really doesn't stop there.

8 When the Department of Energy presented its
9 initial plan in the fall of 2005, two of Dow's planned
10 wells on Dow land would have been directly impacted,
11 wasting another four years of salt that Dow could have
12 converted into raw material. Since that initial plan, the
13 DOE has expanded the area that it needs for the SPR. This
14 impacts another three planned Dow wells, thus reducing
15 Dow's potential salt consumption up to 11 years.

16 So, bottom line, under the DOE's current
17 proposal, up to 18 years of equivalent Dow salt
18 production -- or consumption is wasted.

19 The waste of Stratton Ridge salt and the
20 possibility that the government may take some business
21 critical property from Dow is a grave concern to our
22 internal business analysts who make investment
23 recommendations to Dow's senior management.

24 Simply put, Texas operations competes with
25 chemical and plastic producers around the world. We

1 already have a competitive disadvantage due to high energy
2 and feedstock prices here on the Gulf Coast. The Dow
3 Texas Operations site could lose its global
4 competitiveness completely if the SPR expansion is located
5 at Stratton Ridge. But not only potential new investment
6 would be in jeopardy, these same factors would also be --
7 negatively affect business decisions for investments to
8 support current operations.

9 So, the future of Dow Texas Operations is
10 dependent on the willingness of Dow, first, to continue to
11 make investments in new products; second, to continue to
12 make these products that are made today; and third, to
13 improve the site's energy efficiency and sustainability.
14 Without such investments, manufacturing facilities like
15 ours may cease to be viable and ultimately shut down.

16 Now, we understand that a hundred or so jobs
17 might be created for managing the SPR site. However,
18 placing our Freeport Dow site in further economic jeopardy
19 would literally put thousands of high-wage manufacturing
20 jobs, as well as thousands of additional jobs in our
21 community, at risk.

22 In short, the long-term viability of our
23 Texas Operations site depends upon having low cost salt
24 feedstock and hydrocarbon storage facilities located at
25 the Stratton Ridge site. The loss of these capabilities

1 could ultimately cause Dow in Freeport to lose its global
2 competitiveness and, again, with the potential result in
3 the inevitable and painful shutdown.

4 Thank you for allowing me to express our
5 concerns and state the reasons why Dow opposes the use of
6 the Stratton Ridge location for the new Strategic
7 Petroleum Reserve site.

8 Thank you very much.

7:29P 9 MR. DAVID JOHNSON: Thank you.

10 MS. KAREN FADELY: I'd like to call David
11 Stedman of the Economic Development Alliance for Brazoria
12 County.

13 **MR. DAVID STEDMAN:** Thank you.

14 I'm David Stedman, S-t-e-d-m-a-n. I'm the
15 president and CEO of The Economic Development Alliance for
16 Brazoria County.

17 The Economic Development Alliance is an
18 organization composed of businesses large and small. We
19 have members that include chemical manufacturers, people
20 in the petroleum industry, contractors, engineers,
21 retailers, businesses of all types. Some of our members
22 are small businesses that depend on the local economy and
23 the spending dollars that are created by some of the large
24 industries. Our economy is interrelated.

25 And so, on the 12th of June, our board met

1 to represent the entire business community of Brazoria
2 County and unanimously adopted this resolution, the
3 Resolution, In Opposition to the Strategic Petroleum
4 Reserve At Stratton Ridge, Whereas, the Economic
5 Development Alliance for Brazoria County's mission is to
6 promote and to diversify the economic base, attract
7 high-wage jobs and target industries to Brazoria County,
8 and support and champion the interests of existing
9 business; and Whereas, it is understood that the Energy
10 Policy Act of 2005 directs the Secretary of Energy to fill
11 the Strategic Petroleum Reserve to its one billion barrel
12 capacity, and this will require the Department of Energy
13 to expand the Strategic Petroleum Reserve, such plans to
14 including -- to include adding one new storage site; and
15 Whereas, Stratton Ridge, Texas, is one of the new sites
16 being considered from the group of sites previously
17 assessed in the Draft Environmental Impact Statement, and
18 Stratton Ridge is located within Brazoria County, Texas;
19 Whereas, the proposal to locate a Strategic Petroleum
20 Reserve storage operation at Stratton Ridge, Texas, would
21 have an adverse effect on the area's chemical
22 manufacturing industry which constitutes the very
23 foundation of the economy of South Brazoria County with
24 over 5,000 direct jobs and as many as four to eight times
25 that number of indirect jobs among contractors and

1 suppliers; Whereas the expansion of the Strategic
2 Petroleum Reserve at Stratton Ridge would create virtually
3 no significant economic benefit that could conceivably
4 compensate for the potential harm it would do to the local
5 economy; and Whereas, the Department of Energy has other
6 options to meet its mandated expansion of the Strategic
7 Petroleum Reserve capacity. Now, Therefore, Be It
8 Resolved, that the Economic Development Alliance for
9 Brazoria County hereby opposes said location of a
10 Strategic Petroleum Reserve at Stratton Ridge, Texas.

11 And hereby -- in witness hereby, we set our
12 hands.

13 So, I appreciate the opportunity to read
14 this Resolution into the record. And I would just like to
15 add my personal comments to this.

16 One of the potential -- or one of the great
17 benefits of heading an organization like the Economic
18 Development Alliance is to look at Brazoria County and
19 look at it as it can be as well as as it is. We want to
20 diversify our economy, and we're working to do that with
21 the support of the chemical manufacturing industry and
22 with the support of our court and all the various elements
23 that make up our existing economy. And we're doing that
24 with things like nanotechnology and biotechnology in terms
25 of trying to attract those to Brazoria County. But how

1 many nanotechnology companies or how many biotechnology
2 companies would it take to compensate for the loss of one
3 single plant that operate within Brazoria County? We just
4 couldn't do it.

5 Like it or not, the chemical manufacturing
6 industry has been, is now, and will be for the foreseeable
7 future the absolute bedrock of the economy of Brazoria
8 County. And we realize that the existence of that
9 industry here -- just as Bob just got through saying -- it
10 is based on the global competitiveness of our site and --
11 as a means or a base of operation versus sites that exist
12 all over the globe and all over the world.

13 One of the great strategic advantages that
14 we have here is the salt that exists within Stratton
15 Ridge, within those caverns, to take that salt and pump it
16 out as brine and dump it out into the ocean when it could
17 be used to support the people of Brazoria County which
18 ultimately is what Dow exists for, is what BASF exists
19 for, what Schenectady and what Shintech and what
20 ConocoPhillips and all of the big chemical and
21 manufacturing complexes around here, they exist to make a
22 profit but they also exist to provide welfare for our
23 people. That's what puts roofs over families' heads.
24 That's what sends kids to college, and it's what puts
25 bread on the table.

1 So, therefore, I think that we need to
2 really evaluate this in terms of risks. The risks that
3 you talk about on your slide are risks of disaster or
4 environmental impact; but there's also a risk when people
5 can't work, when people can't feed their families.

6 When I first came here to the Economic
7 Development Alliance, in some of our cities, we had
8 employment (sic) as high as 17 percent. 17 percent.
9 Think about that. That means almost one in five people
10 are out of a job. Now, because of some things that we
11 have done in the expansion and activity that we have here,
12 we now have a good unemployment rate and it's dropping.
13 We happen to be fortunate right now that it's a little bit
14 lower than the state level. And we're real proud of that.
15 But that could be reversed instantly with the decision not
16 to keep a plant open or put it somewhere else because
17 there's a better strategic environment there. And so, I
18 urge you to look at all your alternatives and pick some
19 place other than Stratton Ridge for the Strategic
20 Petroleum Reserve expansion.

21 Thank you very much.

22 MS. KAREN FADELY: I'd like to call Bill
23 Henry of Freeport LNG.

7:36P 24 **MR. BILL HENRY:** My name is Bill Henry,
25 H-e-n-r-y. I'm vice president of Freeport LNG. I just

1 want to make a few comments here. While our business is
2 not directly dependent upon salt, I should mention to you
3 that Dow Chemical is the 15 percent owner of Freeport LNG;
4 and we're very concerned about their welfare. They're
5 also one of the biggest customers of our terminal. We
6 want to see their economic viability continue for a long
7 period of time so that they can utilize our facilities.

8 One of the comments I wanted to make is that
9 in your environmental impact statement study it was
10 unclear to me, as I went through it, that you were really
11 considering the fact that there was an LNG plant being
12 built here. Let me assure you that it is. We were -- we
13 had filed for and received our federal regulatory permits
14 back in June of 2004. In August of 2005 we started
15 construction. In January, 2005, we are 18 months into
16 construction. First deliveries through the first phase of
17 our plant will begin at the end of '07 and continue from
18 thereon.

19 We have also filed for an expansion of this
20 facility. It's specified in those dockets there. That
21 expansion is to go from 1.5 Bcf of daily capacity to 4 Bcf
22 of daily capacity at the terminal. That was filed in May
23 of 2005. The environmental assessment on that has just
24 been published, and it is on the FERC agenda for July.
25 So, we anticipate getting all the permits for that by the

1 end of this year and -- and then possibly starting
2 construction at the first part of 2007.

3 We also have as part of this project a
4 send-out pipeline -- a 42-inch send-out pipeline which
5 goes from Quintana Island to Stratton Ridge. It actually
6 crosses the 40-inch DOE line going to Texas City. That's
7 a high-pressure pipeline. 1250 pounds, MAOP of 1440. So,
8 I want to make sure that if you're going to build another
9 pipeline you be real careful where you put it.

10 The second thing that's in our expansion is
11 salt cavern storage wells. We have in our plans to build
12 up to two natural gas salt cavern storage wells as part of
13 our Freeport LNG facility. We have permitted those with
14 the Texas Railroad Commission. They're considered
15 non-jurisdictional by FERC. So, they were permitted by the
16 Texas Railroad Commission. That docket is shown in the --
17 the material I have given you. So, that -- that's going
18 to happen. It is on the other side about approximately
19 where you pointed. I will send you by E-mail the X and Y
20 coordinates of those particular -- those wells so that
21 you'll be able to consider those in your consideration.

22 Our position is that -- is that we want to
23 make sure that you've considered our operations in any
24 development just like we would be concerned about Dow or
25 anybody else's development therein concerning our

1 operations.

2 One other thing, which I don't know if it
3 was recognized in your environmental impact statement, but
4 because of our first phase and second phase, we would have
5 up to 400 LNG ships a year coming into this port. So,
6 we're going to add fairly considerably to the marine
7 traffic coming in here. We have worked with the Coast
8 Guard. We have received our waterway suitability studies
9 for that number of ships. So, I suggest those are things
10 that you may want to consider as you consider your project
11 with additional ships and crude carriers that would come
12 into the Freeport port.

13 I think that's it. I appreciate your time.

14 MR. DAVID JOHNSON: Thank you.

15 MS. KAREN FADELY: At this point that's all
16 the speakers that I had pre-registered. So, I'd like to
17 open it up, if you want to raise your hand.

7:42P 18 **MR. VICK WADE:** My name is Vick Wade. I'm
19 coming to you as a local, long-time Brazoria County
20 resident. And I -- I mean, I'm just here to express --
21 I'm not going to give you a long speech or anything but
22 I'm just putting my vote in and my vote would be that we
23 don't -- do not have you-all come in. I just -- I see it
24 as an eminent domain thing that -- and I do have a small
25 business here, and I have long-term interests in our area.

1 And I don't see it as a -- this as a long-term positive
2 for our area.

3 Thanks.

4 MR. DAVID JOHNSON: Thank you.

7:43P 5 **MR. DONALD PAYNE:** Donald Payne, P-a-y-n-e.

6 I'm County Commissioner, Precinct 1, Brazoria County. And
7 I'd like to read a Resolution that was passed in
8 Commissioner's Court today.

9 To all to whom these present shall come,
10 Greetings: Whereas, it is understood that the Energy
11 Policy Act of 2005 directs the Secretary of Energy to fill
12 the Strategic Petroleum Reserve to a capacity of 1 billion
13 barrels of oil; and Whereas, it will require the
14 Department of Energy to expand the Strategic Petroleum
15 Reserve, such plans to include adding one new site; and
16 Whereas, the new site must be selected from a group of
17 sites previously assessed in the Draft Environmental
18 Impact Statement; and Whereas, Stratton Ridge, Texas, is
19 one of the new sites being considered; and Whereas,
20 Stratton Ridge, Texas, is in Brazoria County, Texas; and
21 Whereas, the proposed location of a Strategic Petroleum
22 Reserve storage operation is Stratton Ridge, Texas --
23 would have an adverse effect on the area's chemical
24 manufacturing industry and related jobs and thus the
25 area's new economic base would be adversely affected; and

1 Whereas, the Department of Energy has other options to
2 meet its mandated expansion of the Strategic Petroleum
3 Reserve capacity.

4 Now, therefore be it resolved, that Brazoria
5 County hereby opposes any location of a Strategic
6 Petroleum Reserve at Stratton Ridge, Texas.

7 In witness thereof, we have hereunto set our
8 hands and cause the Great Seal of Brazoria County to be
9 affixed on the 27th day of June, 2006. It's signed by all
10 the members of the Commissioner's Court: County Judge,
11 John Willy; myself, Commissioner of Precinct 1; Jim
12 Clawson, Commissioner of Precinct 2; Jack Harris,
13 Commissioner of Precinct 3; and L.L. Stanley, Commissioner
14 of Precinct 4.

15 And on a personal note, before I was elected
16 in 2001, I worked for Dow for 22 years, and ten of those
17 years were in a chlorine plant. And I know the need of
18 the brine for the -- for the chlorine operations. And I'm
19 actually surprised when Bob stood up here and said it
20 would only affect 50 percent of the people out there. I
21 figured it would be more than that because at all of the
22 other plants -- or a lot of the other plants tie in to
23 chlorine.

24 So, this is something that would -- with
25 you-all having another site, I sure would hope you-all

1 would be willing to look at going somewhere else other
2 than in Brazoria County. Commissioner's Court does not
3 oppose having an increase in the barrels of oil. We just
4 oppose it coming to Brazoria County.

5 Thank you-all.

6 MS. KAREN FADELY: Anybody else like to say
7 something?

7:45P 8 MS. TERI MASTERON: My name is Teri

9 Masterson, M-a-s-t-e-r-s-o-n. And my background is in
10 trade and commodity markets. And I was just -- I really
11 have a question more than a comment.

12 Do you-all consider, when you're doing your
13 economic and risk analysis, not only the economic risks to
14 the local economy but also to the natural gas supplies of
15 the United States? Because as we look at more LNG coming
16 in and we look at storage capability, the strategic oil
17 reserve is obviously for disruptions in oil production.
18 But natural gas production is also key to electric power
19 generation as well as the gas that we use in -- for power
20 and feedstocks in the -- in industries all around the
21 state and, in fact, all around the United States.

22 So, when you look at the impact of affecting
23 LNG and the volatility that that can have on natural gas
24 markets -- because that will help depress volatility of
25 natural gas markets. I know you-all are focused on oil;

1 but you do need to consider the impact on natural gas, its
2 volatility and that impact on the domestic economy when
3 you do your economic analysis.

4 Thank you.

5 **MS. DIANE KILE:** Good evening. My name is
6 Diana Kile. And I am the deputy director for U.S.
7 Congressman Ron Paul. And I would -- and Kile is K-i-l-e.
8 And I would like to read a statement written by
9 Congressman Paul today.

10 I want to join with others tonight in
11 expressing my concerns regarding the Stratton Ridge
12 expansion of the Strategic Petroleum Reserve. In the
13 recent past, President Bush has stated the need to
14 judiciously diminish the reserve in order to reduce
15 non-market demand, thus helping to reduce energy costs.
16 In light of that, we should seriously consider not only
17 where but also whether or not to increase the reserve.
18 Certainly if high energy prices are a legitimate
19 concern -- and they clearly are at this time -- we should
20 not undertake such an expansion in a way that could
21 negatively impact any component of the petrochemical
22 industry. Any federal action that would threaten to raise
23 costs to business, which would be passed along to
24 consumers, is a bad policy at any time. However, this is
25 a particularly bad time for any such policy to be enacted.

1 In addition, it is always a concern of local
2 property owners that federal activity will result in a
3 taking of private property. Such takings have a direct
4 negative impact not merely on the property owner who has
5 every right to expect that government will protect its
6 property interest but also upon economic activity. When
7 property rights are in jeopardy, property owners do not
8 take the kinds of economic actions that benefit themselves
9 as well as other economic actors.

10 As a leading advocate of property rights, I
11 share the strong concern of others in the area that
12 locating this reserve expansion in Stratton Ridge will
13 negatively impact property owners. Moreover, I join with
14 the local government authorities and taxpayers who are
15 always concerned about taking property off of the local
16 tax rolls. With many suffering from property valuation
17 inflation, further erosion of the tax base will only serve
18 to further increase property taxes upon already strapped
19 homeowners and businesses.

20 Again, I wish to join with The Economic
21 Development Alliance for Brazoria County, the Dow Chemical
22 Company, and other concerned members of the community in
23 expressing my concern regarding the siting of an SPR
24 expansion at Stratton Ridge.

25 I thank you for giving me this opportunity.

1 MR. DAVID JOHNSON: Thank you very much.

2 MS. KAREN FADELY: Would anybody else like
3 to come up?

7:50P 4 **MR. TOMMY SORIERO:** I don't have a prepared
5 statement. My name is Tommy Soriero. I represent the
6 owner of Pinto Energy Partners. We are the owner of the
7 majority of the land where the -- the site has -- has been
8 platted, and I want to make a statement. I'm not going to
9 reiterate the words of Mr. Walker and Mr. Henry, but we
10 have owned the property since the Thirties with the view
11 towards the mineral value of both the salt and the storage
12 capabilities from the property itself.

13 We have in the last year worked a deal with
14 Freeport LNG. They are building their cavern -- both
15 their caverns, and they are permitted on our property. We
16 also have additional development underway on the property
17 for additional caverns both for gas storage to support the
18 LNG and the local consumption of the chemical facilities
19 in the area. We also have, obviously, a very large
20 interest in the mineral value of the salt that Mr. Walker
21 alluded to in his speech that we hate to see that -- that
22 mineral wasted and it seems like it'd certainly be a way
23 to accomplish both goals both realizing the mineral value
24 of the salt as it is mined and not being wasted since
25 there is a consumer in the area that could take the salt

1 and it's also something, I said, the company has owned
2 for -- in the range of 70 years -- maintain the ownership
3 of this land for this specific reason. And we anticipate
4 that there's probably going to be a difference in the
5 economic value as being proposed by -- by the DOE versus
6 our company and how long we've held the property with the
7 development plans that we have and this would certainly
8 interfere with all of those plans.

9 What we would like to see is -- is some way
10 to work out a -- an arrangement whereby both the mineral
11 can be extracted and the value derived from those minerals
12 which -- like I said, I'm not going to reiterate all the
13 words -- chemical producers in that area would like to see
14 that mineral exploited and -- and the operations as well
15 as potentially provide the storage for the -- for the SPR
16 utilizing those same caverns in that same production
17 process.

18 Now, I know that it's difficult to
19 accomplish all those goals at the same time but it's
20 certainly something that would be done with minimum waste
21 and -- and most value to us, the mineral owner, and to the
22 chemical consumption industries -- or the chemical
23 production industries that use the salt as feedstock and
24 as well as to develop a potential of the property for gas
25 storage which was just alluded to that we see in the

1 infrastructure and the storage that is capable of being
2 developed on the property for the natural gas, we see it
3 as being as, you know, every bit as important as the
4 security and the need for the oil storage.

5 Thank you.

7:53P 6 **MR. SHANE PIRTLE:** Shane Pirtle,
7 P-i-r-t-l-e, immediate and former mayor of Lake Jackson.
8 And I won't presume to speak for other elected officials.
9 I say that -- as you've already heard, Dow Chemical is a
10 major -- the primary employer in this community, largest
11 employer in this community; and obviously it's a
12 substantial contributor to this community.

13 So, with that being said, we wouldn't want
14 to see anything that jeopardizes what we've seen as a
15 great partner in this community both as an employer and
16 contributing in a number of other activities. So, I think
17 that would -- and as well as the cities -- all those --
18 most of the large cities are members of The Economic
19 Development Alliance and we're a part of this resolution.

20 Thank you.

21 **MS. KAREN FADELY:** Would anybody else like
22 to come up and make a comment?

23 Go ahead, ma'am.

7:54P 24 **MS. JANICE EDWARDS:** My name is Janice
25 Edwards. And my background -- and I'm retired from Getty,

1 Texaco, and Shell and so, I know a lot about the oil
2 industry.

3 And my question to you-all is -- I
4 understand we need strategic oil reserves. But looking at
5 the map where they all are, they all reside in the Gulf
6 Coast. I realize most of our refineries are here; but the
7 problem I see is if we have a major disaster like a
8 Katrina and a Rita again and you cannot get to the
9 strategic oil reserves, it'd do you no good. I suggest
10 that you consider some place a little bit further inland
11 that would not be impacted by the hurricanes that we are
12 going to continue to receive down in the Gulf Coast.

13 Thank you.

(Mr. David Johnson concludes with closing remarks and meeting is concluded at
7:55 p.m.)

1 STATE OF TEXAS

2 COUNTY OF BRAZORIA

3 REPORTER'S CERTIFICATE

4 TO THE PUBLIC MEETING

5 HELD ON JUNE 27, 2006

6

7 I, the undersigned Certified Shorthand Reporter in
8 and for the State of Texas, certify that the comments
9 stated in the foregoing pages are true and correct.

10 I further certify that I am neither attorney or
11 counsel for, related to, nor employed by any parties in
12 which these comments were taken and, further, that I am
13 not a relative or employee of anyone employed by the
14 parties hereto or financially interested in the outcome of
15 the meeting.

16 SUBSCRIBED AND SWORN TO under my hand and seal of
17 office on this the 6th day of July, 2006.

18

19

20 IDA H. SALINAS, TEXAS CSR 4469
21 Expiration Date: 12/31/2006

22

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